

CONNECT

the fast track for technology business

INVESTMENT FORUM NOVEMBER 2007

BRIEFING DOCUMENT FOR PRESENTING COMPANIES

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IMPORTANT DATES

Attendance at the Investor Readiness Programme workshops and rehearsals is strongly recommended for all companies intending to present at the Investment Forum on 20 June 2007. Please make a note of these dates in your diary.

Date	Activity
Wednesday 10 Oct	Deadline for Investment Forum presenting and exhibiting applications
Friday 19 Oct	<p><u>Investment Forum</u> CAG Panel Meeting. A group of Connect Yorkshire sponsors make an initial review of the written applications.</p> <p>Applicants are then informed whether they have been successful in being selected for an assessment visit by a CAG mentor.</p>
Friday 19 Oct - Thursday 1 Nov	<p><u>Investment Forum</u> Up to two CAG members arrange to visit successful applicants during a 2 week period</p>
<p>Wednesday 24 Oct</p> <p>4.00pm registration for a 4.30pm start</p>	<p><u>Investor Readiness Programme.</u> Workshop 1: Practical Business Plans and R&D Tax Credits</p> <p>At Holiday Inn Royal Victoria, Sheffield</p>
<p>Wednesday 24 Oct</p> <p>6.00pm registration for a 6.45pm start</p>	<p><u>Investor Readiness Programme</u> Workshop 2: Intellectual Property Rights and Wrongs</p> <p>At Holiday Inn Royal Victoria, Sheffield</p>
Friday 2 Nov	<p><u>Investment Forum</u> CAG Panel Meeting. The group make a final selection of up to 10 companies to present at the Forum</p> <p>Applicants are informed whether they have been selected to present</p>

<p>Wednesday 7 Nov 4.00pm registration for a 4.30pm start</p>	<p><u>Investor Readiness Programme</u> Workshop 3: Accessing Support & Funding At Tankersley Manor, Barnsley</p>
<p>Wednesday 7 Nov 6.00pm registration for a 6.45pm start</p>	<p><u>Investor Readiness Programme</u> Workshop 4: Effective Negotiating Skills At Tankersley Manor, Barnsley</p>
<p>Thursday 8 Nov</p>	<p>Deadline for receipt of company information which will appear in the Forum Handbook</p>
<p>Wednesday 14 Nov 4.00pm registration for a 4.30pm start</p>	<p><u>Investor Readiness Programme</u> Workshop 5: Capturing an Investor and Avoiding the Pitfalls At DLA Piper, Sheffield</p>
<p>Wednesday 14 Nov 6.00pm registration for a 6.45pm start</p>	<p><u>Investor Readiness Programme</u> Workshop 6: Technology Company Valuations and Structuring an Investment Deal At DLA Piper, Sheffield</p>
<p>Wednesday 14 Nov Thursday 15 Nov OR Friday 16 Nov</p>	<p>CAG Feedback Meetings. Successful applicants will have the opportunity to present their proposition at one of the three meetings, receiving feedback from their CAG mentor & Connect Yorkshire</p>
<p>Tuesday 20 Nov</p>	<p>Deadline for receipt of presentation material, for companies involved with Rehearsal 1 (PowerPoint Slides)</p>
<p>Wednesday 21 Nov</p>	<p>Rehearsal 1 (if required): Some applicants are given a further opportunity to rehearse their 10 minute presentation and receive feedback from their CAG mentor & Connect Yorkshire</p>
<p>Friday 23 Nov</p>	<p>Deadline for all companies for receipt of revised presentation material (PowerPoint Slides) for Dress Rehearsal. Applicants also to submit their final Business Plans to Connect Yorkshire</p>

Monday 26 Nov	Dress Rehearsal: Successful applicants rehearse their presentation and familiarise themselves with the AV equipment and venue, before receiving final feedback from their CAG mentor. At Holiday Inn Royal Victoria, Sheffield, from 1.30pm
Tuesday 27 Nov	Deadline for receipt of final presentations, before Forum (all companies).
Wednesday 28 Nov	Connect Yorkshire Investment Forum at Holiday Inn Royal Victoria, Sheffield. Full day event

Full details of the workshops can be found on the Connect Yorkshire website at www.connectyorkshire.org.

Please note the cost for presenting and having an exhibition stand at the Conference is £200 + VAT and an invoice will be sent out prior to 28 November.

Selected companies who have not passed the CAG process on this occasion, but who the panel feel are a viable option for future investment will be given the opportunity to have a one-off exhibition stand, for £75 + VAT.

(Connect Yorkshire reserves the right to vary or cancel any part of the conference programme where the occasion necessitates, and accepts no liability whatsoever for any such variation or cancellation)

COMPANY ASSESSMENT GROUP (CAG)

Throughout the investment-ready process in the lead-up to the Forum, you will have direct contact with one or two mentors who sit on our CAG panel. CAG members are volunteers from our pool of sponsors, working within the professional business arena, ranging from Accountants to Lawyers to Patent Attorneys, who give their time freely in order to help give you and your company the very best chance of success.

We believe their expert advice and valuable input on the structure and content of your business plan and presentation improves the way investors will receive your proposition. A full list of our current sponsors can be seen via our website, www.connectyorkshire.org

COMPANY VISITS

A week after the deadline for receipt of applications, the Company Assessment Group (CAG) meet to discuss each application in turn and decide which will go through to the next stage of the process.

If your application is successful, you will be contacted by Connect Yorkshire in line with the date at the start of this document and advised about forthcoming company visits by your allocated CAG mentor/s. The purpose of the visit is to assess whether by the time of the Investment Forum your company is likely to be able to make a compelling presentation that will attract the attention of the investors and others present, and is therefore an important step in the process of helping you to get investment.

We suggest the following as an informal agenda for your meeting:

- 1) Introductions
- 2) Short presentation by you on your business (10 minutes)
 - a. Background
 - b. Management
 - c. Product / service
 - d. Market
 - e. Financials and investment required
- 3) Discussion on the business
- 4) Business Plan – is it available and in a suitable form for investors?

5) Any other matters

After carrying out their visits, the CAG mentors meet again to brief each other further on their respective companies, before deciding who should progress to the Extended Feedback Session stage.

EXTENDED FEEDBACK SESSIONS

Introduction

Our CAG mentors have worked on hundreds of deals and so are in a perfect position to offer help and advice in honing your pitch. In doing so, it will improve the way investors receive your proposition.

The format of the extended sessions has been designed with this feedback in mind.

Purpose of Extended Feedback Sessions

- 1) For you to receive feedback from your individual meeting and comments from the second CAG panel meeting, where appropriate.
- 2) For you to give your first draft presentation and then to receive feedback on your company business plan and proposition in more detail, specifically in relation to you delivering an investment pitch.
- 3) To help your company identify possible strengths to be included and weaknesses to be excluded during your presentation.
- 4) While the structure of the feedback meeting is informal, it is still intended that you will leave with a clear plan for your presentation and know how best to deliver it.

Format of Extended Feedback Sessions

In order to give companies quality feedback, no more than 3/4 applicant companies will be present at each session. Also in attendance will be your respective mentors and Connect Yorkshire.

Each company consecutively presents to the room and then receives feedback from the group, led by their mentor/s. The intention is not to be critical but to provide constructive comment, in order to best polish your pitch. Previous applicants have found this part of the process to be the most beneficial, with points highlighted that they had not initially considered.

We envisage each Extended Session to take between two and three hours.

Rehearsals required/recommended in addition to the dress rehearsal will be discussed.

After the Extended Feedback Sessions

If required, companies attending an extra rehearsal on Wednesday 21 November will be required to have their presentation material (PowerPoint slides) to Connect Yorkshire by end of Tuesday 20 November. Each company will receive feedback from their CAG mentor/s.

For those companies who do not require this rehearsal, presentation material will be reviewed by both Connect and their CAG mentor/s.

Any alterations to company presentations must have been made, and received by Connect Yorkshire by Friday 23 November.

A dress rehearsal for all will take place on Monday 26 November at The Holiday Inn Royal Victoria, Sheffield from 1.30pm. The running order will follow that of the day of the Conference.

PRESENTATION CONTENT AND TIMING

Presentation Overview

Presentations must be no longer than 10 minutes. Please run-through your presentation several times to ensure it fits within this limit. On the day there will be a traffic-light timing system to help you, however you may be cut off if you go over 10 minutes, as it is important to allow time for feedback and questions. Each company will be allocated 15 minutes in total.

Only one person should do the presentation, but it is advisable for an additional person from your company to attend rehearsals and the Investment Pitches.

Presentations must normally be on PowerPoint; other software can only be used by prior arrangement with Connect Yorkshire. No OHP will be available.

Most of the audience are unlikely to be familiar with technical details of your science or technology, and you should concentrate on the commercial aspects of the business proposition.

Extended Feedback Session

The Extended Feedback Sessions are intended for you to receive expert advice from your company mentor/s. You must be prepared to speak in front of the CAG members and also other presenting companies about your business proposition.

We do not expect you to have a final presentation in place at this point and hope you will use this meeting to gain input for the structure and content of your pitch.

Content

The content of your presentation should cover the following. Please consider these points when preparing for the Extended Feedback Session:

Background of Company	Where it came from Why it was formed
The product(s) or service(s)	The needs they serve (non-technical terms) Intellectual property
The Market	Size and profile Specific figures, endorsements, previous
The competition	Competitive advantages
Exploitation of Market	Routes to market Business model
Management team	Commercial experience of team
Financial Summary	Expected turnover and profitability Required Investment What you will achieve with investment

Please find below some guidelines and tips which you may find helpful in preparing your presentation.

Business/product description

- When was the company established/location
- Describe product/service. If it's on sale now, make that clear
- Is the product/service protected?
- Why will the company succeed – advantages/differentiation from competition

Market/marketing

- Market size – and how you've verified it

- Market's characteristics, e.g. established or emerging, fragmented or small number of large customers, UK and (realistically) international
- Prospects for market growth
- Your approximate market share now, and your target market share - explain why this target is credible. Describe response of key customers (consider whether to name or not)
- Explain routes to market, channels and distribution & process. Length of sales cycle. Alliances: channel partners, distributors, VARs etc.
- Your anticipated level of gross margins (in relation to competition)
- Barriers to entry – why they will inhibit competitors but not inhibit you
- Threats – from competitors and from customer inertia (sticking with old ways)

Management credibility

- Describe key management and their relevant experience (relative to the sector, the role and the task ahead)
- Detail the commitment of key management (particularly financial, including personal guarantees if any)
- Highlight the presence of necessary skills (including non-exec directors, if any)

Financial summary

- Highlights/trends concerning past, current and projected (three years) performance
- Turnover
- Gross margins (gross profit as % of turnover)
- Profit before tax (amount, and as % of turnover)
- Return on capital (profit as % of capital employed)
- Cash flow – how fast it turns positive!
- Level of sales where breakeven is achieved.

Financial requirement

- Amount sought
- How it will be used

Offer to investor

- Management is receptive to an incoming investor (not begrudging!)
- Will include a realistic proportion of equity, negotiated in the light of the investor(s) potential to help create value for all shareholders
- It may be helpful to specify any possible future purchasers of the business.

Finish your pitch with a call to action

– e.g. *‘please come and speak to us to learn more about this opportunity....’*

Remember, these are guidelines and a series of prompts. It is not a list of mandatory requirements. In preparing for your 10 minute presentation, aim to include all six of the main topics. Within each, identify the aspects upon which you can expand to best effect in the time available. This will vary from company to company depending upon its strengths and threats, its sector and stage of development. Practice is an essential part of your preparation and your presentation can be fine-tuned in the light of feedback after the dress rehearsal session.

Dress Rehearsal

You will be required to present your 10 minute pitch at the dress rehearsal and will then receive individual feedback. You will have the opportunity to see other people’s presentations which you may find useful. As you will only have 10 minutes you should include no more than about 12 slides as a maximum.

TIPS WHEN PRESENTING

Below are some points to help you when you make your investment pitch. They should all help! Use them to remind you whilst you’re practising for the rehearsal and the day itself.

1. Face the Audience

This one may seem obvious, but how many times have you been watching a presenter, and all you’ve been able to see is the top of their head, or their profile?

A presenter who stands and reads their notes looks unprepared and unprofessional, and the audience will start to become detached from what you're saying. When you have a conversation one to one, you wouldn't dream of looking down for fear of being rude. The same applies whether you're talking to one person, or a hundred. Lift your head, ADDRESS your audience, and ENGAGE with them. This will help to gain and maintain their interest.

On the same note, if you stand and turn your head to look at the screen behind you, your audience will become disengaged. The screen is provided for the benefit of the audience. The laptop monitor in front of you is provided for you, so please use it.

2. Static Microphone (mic)

A static microphone (mic) will be mounted on the lectern and a tie-clip mic can also be provided at request.

To reiterate the point above, please use the laptop monitor and do not turn your head to look up at the screen behind you. If you do this, not only will you disengage the audience with your body language, your voice will disappear, and they won't be able to hear you properly.

3. Prompt Cards

Although a laptop monitor will be provided, some presenters find it useful to have extra notes as prompts. Walking up onto the stage with a clutch of A4 sheets looks unprofessional, so if you plan to use notes please transfer them onto small prompt cards.

4. The Panel

After your presentation you will be asked questions by the panel of investors who sit on the other side of the stage. Please be sure to speak into the mic when answering their questions; it is easy to turn your head towards the panel and/or move towards them and therefore be out of range of your mic so the audience can't hear.

5. Your Slides

You have received some feedback about your presentation slides. Make sure you keep the content as minimal as possible. Remember: *If you are going to say it, why put it on a slide for people to then read?* Your slides are not a substitute for the words you don't have time to say.

With only 10 minutes to get your message across, take a minimalist approach. Avoid clutter. If you want a slide to say a thousand words, use a picture.

6. Posture

Your lectern mic and laptop monitor should go a long way to help ensure you keep a tidy posture. The lectern is provided for you to stand BEHIND. Please resist the urge to stand next to the lectern and lean on it. Not only will the mic not pick your voice up, it looks untidy and unprofessional.

7. Timing

You have **TEN MINUTES**. If you run over your allocated slot, someone else's may have to be cut shorter. Please respect your colleagues.

Our AV company will be also be attending the Dress Rehearsal, with mics, lectern, laptop and a traffic-light timing system to give you a feel for how things will be set-up on the day. The traffic light system (a box with 2 LED's) will alert you to how much time you have left. The system will be explained to you at the Dress Rehearsal.

8. Rounding Off

Whilst it's very important to think about how you're going to start your presentation to grab the attention of the audience, it is just as important to make sure you round off with something memorable at the end. Try to avoid coming to a halt and saying, 'thank you'.

Invite the audience to meet with you in the breakout area, where you can talk further and show them the display of your product or service.

INVESTMENT CONFERENCE PROGRAMME

The conference is a full day event, starting at 8am when you will be expected to arrive and set up your exhibition stand, and receive a final briefing from Connect. The investment pitches will run in the morning, with suitable refreshment and lunch breaks, allowing plenty of time for networking.

The post-lunch programme, TechTalk 2007, is an afternoon of keynote leaders from the technology industry, giving their provocative thoughts and comments on the challenges facing the sector today. After this there will be an open floor debate and the Forum will close around 4pm with a champagne reception and networking opportunities. A more detailed programme will be issued to all presenting companies closer to the time.

We would expect you to stay for the course of the day, as there are ample networking opportunities throughout the programme.

During the course of the day, our guests have colour-coded name badges to help you when networking. They are as follows:

BLUE	Presenting companies and technology exhibitors
RED	Investors
YELLOW	Partner organisations and other business support companies